

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2014**

***OMB Circular A-133 Audit
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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2013-001	The State of Washington	None	H-7	Complete
2013-002	University of Washington	12.000, 12.300, 47.050, 93.351, 93.847, 93.853, 93.859, 93.865	H-10	Complete
2013-003	Department of Commerce	14.239, 66.468, 66.468A, 93.568, 93.569	H-11	Repeat Finding 2014-006
2013-004	Department of Commerce	14.239	H-13	Repeat Finding 2014-005
2013-005	Employment Security Department	17.225, 17.225A	H-15	Complete
2013-006	Employment Security Department	17.258, 17.258A, 17.259, 17.260A, 17.278	H-16	Complete
2013-007	Department of Ecology	66.605	H-17	Complete
2013-008	Department of Ecology	66.605	H-18	Complete
2013-009	Office of the Superintendent of Public Instruction	84.011, 84.367	H-19	Complete
2013-010	Office of the Superintendent of Public Instruction	84.011	H-20	Complete
2013-011	Department of Services for the Blind	84.126	H-21	Complete
2013-012	Department of Health	93.069, 93.889	H-22	Repeat Finding 2014-016
2013-013	Department of Health	93.069, 93.889	H-23	Repeat Finding 2014-017
2013-014	University of Washington	93.145, 93.266, 93.600	H-24	Complete
2013-015	Department of Early Learning	93.575, 93.596	H-25	Repeat Finding 2014-025
2013-016	Department of Early Learning	93.575, 93.596	H-26	Repeat Finding 2014-023

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2013-017	Department of Social and Health Services	93.575, 93.596	H-27	Repeat Finding 2014-026
2013-018	Department of Social and Health Services	93.659	H-29	Complete
2013-019	Department of Health	93.720A, 93.775, 93.777, 93.778, 93.778A	H-30	Repeat Finding 2014-028
2013-020	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-31	Repeat Finding 2014-034
2013-021	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-33	Repeat Finding 2014-038
2013-022	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-34	Complete
2013-023	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-35	Repeat Finding 2014-032
2013-024	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-37	Complete
2013-025	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-39	Complete
2013-026	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-40	Repeat Finding 2014-036
2013-027	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-41	Repeat Finding 2014-033
2013-028	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-43	Complete
2013-029	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-44	Complete
2013-030	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-45	Complete
2013-031	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-47	Repeat Finding 2014-039

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2013-032	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	H-49	Complete
2013-033	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-50	Repeat Finding 2014-045
2013-034	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-52	Repeat Finding 2014-044
2013-035	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-53	Complete
2013-036	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-54	Repeat Finding 2014-042
2013-037	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-55	Repeat Finding 2014-048
2013-038	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-56	Repeat Finding 2014-041
2013-039	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-57	Repeat Finding 2014-040
2013-040	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-58	Repeat Finding 2014-049
2013-041	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	H-60	Complete
2013-042	Department of Social and Health Services	93.791	H-62	Complete
2013-043	Military Department	97.067	H-63	Complete
2013-044	Military Department	97.067	H-64	Complete
2013-045	Military Department	97.067	H-65	Complete
12-01	Office of Financial Management	None	Refer to finding 2013-001 at H-7	Repeat Finding 2013-001

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12-06	Recreation and Conservation Funding Board	11.438	H-66	Repeat Finding 2014-003
12-08	Department of Commerce	14.239	Refer to finding 2013-004 at H-13	Repeat Finding 2014-005, 2013-004
12-09	Department of Commerce	14.239, 66.468, 66.468A, 81.042, 93.568, 93.569	Refer to finding 2013-003 at H-11	Repeat Finding 2014-006, 2013-003
12-10	Employment Security Department	17.225, 17.225A	Refer to finding 2013-005 at H-15	Repeat Finding 2013-005
12-17	Department of Services for the Blind	84.126	Refer to finding 2013-011 at H-21	Repeat Finding 2013-011
12-21	Department of Health	93.069, 93.889	Refer to finding 2013-012 at H-22	Repeat Finding 2014-016, 2013-012
12-22	University of Washington	93.145, 93.600	Refer to finding 2013-014 at H-24	Repeat Finding 2013-014
12-28	Department of Early Learning	93.575, 93.596, 93.713A	Refer to finding 2013-016 at H-26	Repeat Finding 2014-023, 2013-016
12-30	Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2013-017 at H-27	Repeat Finding 2014-026, 2013-017
12-32	Department of Social and Health Services	93.659	Refer to finding 2013-018 at H-29	Repeat Finding 2013-018
12-33	Department of Health	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-019 at H-30	Repeat Finding 2014-028, 2013-019
12-39	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-036 at H-54	Repeat Finding 2014-042, 2013-036
12-41	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-040 at H-58	Repeat Finding 2014-049, 2013-040
12-44	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-030 at H-45	Repeat Finding 2013-030
12-45	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-026 at H-40	Repeat Finding 2014-036, 2013-026

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12-47	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-024 at H-37	Repeat Finding 2013-024
12-48	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-028 at H-43	Repeat Finding 2013-028
12-49	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-020 at H-31	Repeat Finding 2014-034, 2013-020
12-53	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-027 at H-41	Repeat Finding 2014-033, 2013-027
12-54	Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2013-031 at H-47	Repeat Finding 2014-039, 2013-031
12-62	Military Department	97.067	Refer to finding 2013-043 at H-63	Repeat Finding 2013-043
12-63	Military Department	97.067	Refer to finding 2013-045 at H-65	Repeat Finding 2013-045
11-10	Department of Commerce	66.468, 66.468A, 81.042, 81.042A, 93.659, 93.710A	Refer to finding 2013-003 at H-11	Repeat Finding 2014-006, 2013-003, 12-09
11-20	Department of Health	93.069, 93.889	Refer to finding 2013-012 at H-22	Repeat Finding 2014-016, 2013-012, 12-21
11-23	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2013-016 at H-26	Repeat Finding 2014-023, 2013-016, 12-28
11-24	Department of Social and Health Services	93.659, 93.659A	Refer to finding 2013-018 at H-29	Repeat Finding 2013-018, 12-32
11-25	Department of Health	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-019 at H-30	Repeat Finding 2014-028, 2013-019, 12-33
11-34	Department of Social and Health Services	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-040 at H-58	Repeat Finding 2014-049, 2013-040, 12-41
11-38	Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-020 at H-31	Repeat Finding 2014-034, 2013-020, 12-49
11-39	Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-031 at H-47	Repeat Finding 2014-039, 2013-031, 12-54

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11-40	Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-024 at H-37	Repeat Finding 2013-024, 12-47
11-46	Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-030 at H-45	Repeat Finding 2013-030, 12-44
11-49	Department of Health	98.889	H-67	Complete
10-31	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2013-016 at H-26	Repeat Finding 2014-023, 2013-016, 12-28, 11-23
10-32	Department of Social and Health Services	93.659, 93.659A	Refer to finding 2013-018 at H-29	Repeat Finding 2013-018, 12-32, 11-24
10-40	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-020 at H-31	Repeat Finding 2014-034, 2013-020, 12-49, 11-38
10-44	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-024 at H-37	Repeat Finding 2013-024, 12-47, 11-40
10-56	Department of Health	93.889	Refer to finding 11-49 at H-67	Repeat Finding 11-49
09-12	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2013-016 at H-26	Repeat Finding 2014-023, 2013-016, 12-28, 11-23, 10-31
09-14	Department of Social and Health Services	93.659, 93.659A	Refer to finding 2013-018 at H-29	Repeat Finding 2013-018, 12-32, 11-24, 10-32
09-19	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-020 at H-31	Repeat Finding 2014-034, 2013-020, 12-49, 11-38, 10-40
09-22	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-024 at H-37	Repeat Finding 2013-024, 12-47, 11-40, 10-44
08-13	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713	Refer to finding 2013-016 at H-26	Repeat Finding 2014-023, 2013-016, 12-28, 11-23, 10-31, 09-12
08-17	Department of Social and Health Services	93.659	Refer to finding 2013-018 at H-29	Repeat Finding 2013-018, 12-32, 11-24, 10-32, 09-14
08-25	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2013-020 at H-31	Repeat Finding 2014-034, 2013-020, 12-49, 11-38, 10-40, 09-19

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The State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	001	<p>Finding: State's internal controls over payroll payments processed by Human Resources Management System and Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.</p> <p>Questioned Costs: None</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: Human Resource Management System (HRMS) Controls The Department of Enterprise Services (DES) and the Office of Financial Management (OFM) in partnership with the Personnel Payroll Association (PPA) Executive Committee are currently analyzing options to incorporate additional controls in HRMS to help prevent state employees from receiving unreasonable payroll payments due to incorrect input. The state's analysis has or will include the following:</p> <p>As of June 30, 2014:</p> <ul style="list-style-type: none"> Evaluated the current preventative control that halts processing of an individual's gross pay if it is over \$25,000, to determine if the threshold should be reduced. <p>OFM met with a cross section of agencies on May 29, 2014 to evaluate the current preventative control. The decision was to leave the \$25,000 threshold in place. Agencies have the ability to use existing HRMS reports to check for payments that exceed more restrictive dollar limits determined by the agency.</p> <p>By June 30, 2015</p> <ul style="list-style-type: none"> Evaluate the addition of HRMS system warnings to control input of data to prevent payments to individuals that exceed a reasonable amount. Potential controls include restricting the number of hours allowed to be entered in the system based on the employees scheduled hours (or not to exceed 24 hours in one day), warnings when hours are being entered that do not meet certain criteria, and warnings for excessive hourly rates. Analyze existing exception reports to determine if additional warnings should be included. 	

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Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	001 (Cont'd)	<p>HRMS System Security The Department of Enterprise Services modified an internal control process which provided for additional segregation of duties. This change ensures that no individual has access to make changes in programs and promote them into production without review or approval from a second individual. This modification was completed on December 1, 2013.</p> <p>HRMS Disaster Recovery In October 2013, the Department of Enterprise Services upgraded and virtualized the HRMS platform. This upgrade has made the environment more robust, scalable, supportable and easier to recover in an event of a disaster.</p> <p>By July 31, 2014, the Department will update their disaster recovery/business resumption plans as a result of the upgrade and change to the operating environment, and test the disaster recovery/business resumption plans. This test will include the necessary training to staff on procedures to follow in case of an emergency.</p> <p>By August 31, 2014, all plans, testing and training will be documented and certified by the Director of the Department and will be included in the annual disaster recovery/business resumption plan confirmation letter that must be included in the Department's IT portfolio for submission to the Office of the Chief Information Officer.</p> <p>Department of Social and Health Service Payroll Processing Controls The Department has developed and implemented several corrective actions in response to this finding.</p> <p>In April 2013, the Department implemented the use of a threshold report that is used to identify payroll payments exceeding \$5,000 on a single payday. This will allow staff to screen for and prevent inappropriate payroll payments from being made.</p> <p>In November 2013, the Department took several corrective actions to better monitor and process payroll payments, including:</p> <ul style="list-style-type: none">• Expanding Leave Tracker (the Department's time and leave reporting tool) to Department facilities.

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The State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	001 (Cont'd)	<ul style="list-style-type: none"> • Posting instructions to the Department's Financial Services Administration website to clarify the use of the Preemptive Payroll Journal (S4259) which can assist staff in determining the accuracy of payroll. • Providing training to staff in time and attendance procedures and Leave Tracker. • Using Lean management tools to document and improve payroll processes. <p>Provider One: The Health Care Authority disagrees with this finding. The Authority does not agree that ProviderOne security reviews are lacking or that lack of controls and monitoring in the contract introduce a significant system security review deficiency. While neither expected nor required by the federal government for any Medicaid payment system, to strengthen the Authority's ability to monitor vendor controls, the Authority added a requirement for external audit to the ProviderOne vendor contract in January 2013. This includes security reviews of servers and production databases and will provide additional assurance that effective controls are in place. Under the new requirement, the ProviderOne vendor is required to undergo biennial Service Organization Control (SOC) examinations and obtain reports from subcontractors. As previously reported, the satisfaction of this SOC examination occurs in multiple phases including the final completion of the examination in the first quarter of 2014.</p> <p>The following milestones of this audit were completed on time in 2013 and the ProviderOne vendor has met all contractual obligations:</p> <ul style="list-style-type: none"> • On March 31, 2013, the ProviderOne vendor provided the Authority the required examination reports from subcontractors. • On December 31, 2013, the ProviderOne vendor completed documentation for the controls and delivered results to the Authority. • The final phase of this audit was completed in the first quarter of 2014. <p>The Authority has and continues to ensure that the appropriate safeguards and effective controls are in place to protect Medicaid program integrity and data security.</p> <p>The conditions noted in this finding were previously reported in finding 12-01.</p> <p>Completion Date Estimated June 2015</p>

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University of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	002	Finding:	The University of Washington did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act (FFATA) are filed for the Research and Development cluster.
		Questioned	<u>CFDA#</u>
		Costs:	<u>Amount</u>
			12.000
			12.300
			47.050
			93.351
			93.847
			93.853
			93.859
	93.865		
		Status:	Corrective action complete
		Corrective Action:	The University has processes in place to review each subaward executed to determine whether Federal Funding Accountability and Transparency Act (FFATA) is applicable and therefore required to be submitted in the FFATA Subaward Reporting System (FSRS).
			Starting in December 2012, the University updated its FSRS reporting process to include maintaining an electronic copy of each report filed. The University added a monthly review of all new subawards executed each month to ensure subawards are being reported in the FSRS system if applicable. In addition, the University added a secondary review of draft FSRS reports each month before submitting the reports to ensure all information has been entered accurately.
		Completion	
		Date:	June 2014

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2013	003	<p>Finding:</p>	<p>The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.</p>												
		<p>Questioned Costs:</p>	<table><thead><tr><th>CFDA#</th><th>Amount</th></tr></thead><tbody><tr><td>14.239</td><td>\$0</td></tr><tr><td>66.468</td><td></td></tr><tr><td>66.468 ARRA</td><td></td></tr><tr><td>93.568</td><td></td></tr><tr><td>93.569</td><td></td></tr></tbody></table>	CFDA#	Amount	14.239	\$0	66.468		66.468 ARRA		93.568		93.569	
CFDA#	Amount														
14.239	\$0														
66.468															
66.468 ARRA															
93.568															
93.569															
		<p>Status:</p>	<p>Refer to finding 2014-006</p>												
		<p>Corrective Action:</p>	<p>The Department concurs with the finding. To address the fiscal year 2012 subrecipient finding, the Department enhanced the functionality of the Contract Management System (CMS) to provide a report of those entities expending \$500,000 or more in federal funds, the entity’s fiscal year end date, and the due date of the A-133 audit.</p> <p>The fiscal year 2013 finding states the Department lacked clear communication on policies and procedures. The Department will review existing policies and procedures to more clearly articulate the responsibilities of the Internal Auditor and Program Managers for these processes. The Department will communicate the results of the review through all levels of the Department. Corrective action will include reviewing current policies and procedures, establishing roles and responsibilities, and stating time frames.</p> <p>Updates to policies and procedures will include production of a quarterly report for divisions to use to identify A-133 audit reports that are due. The reports will enable the Department to proactively remind entities of their audit report due dates. The policy will provide guidance when audit reports are delinquent. Training related to policy changes will be tracked. Testing of the implementation will be conducted. The Department will obtain the missing audit reports identified in the finding.</p> <p>During fiscal year 2013, the Department began a process of identifying and contacting grantees that did not meet the threshold for A-133 audit requirements. The Department will continue to enhance the process of identifying those recipients who received less than \$500,000 from the Department and may have received federal funding from other sources. This will ensure the Department identifies and obtains the required audit reports.</p>												

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	003 (Cont'd)	<p>The Internal Auditor will report to executive management quarterly on the progress to obtain missing A-133 reports, and provide data on audit reports currently received or due, training attendance, and improvements made to existing processes.</p> <p>During fiscal year 2014, the Department also convened a problem-solving team to devise an effective procedure for querying contractors about their total federal spend. Procedures are in draft form for articulating the responsibilities of staff.</p> <p>The conditions noted in this finding were previously reported in finding 12-09 and 11-10.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-006.</p>

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	004	<p>Finding: The Department of Commerce does not have sufficient internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.</p> <p>Questioned Costs: <u>CFDA#</u> 14.239 <u>Amount</u> \$0</p> <p>Status: Refer to finding 2014-005</p> <p>Corrective Action: The Department concurs with the finding. The Department did not record program income in the Integrated Disbursement and Information System (IDIS) in 2013 because staff new to the program were unable to navigate IDIS and were unaware of the requirement to input program income information. The reconciliation did not identify the missing IDIS information; it only included the bank and account balances.</p> <p>The current process to reconcile the bank balance to IDIS will be reviewed to strengthen internal controls. The Department will refine its methodology for ensuring program income is spent before federal funds are drawn. The methodology will address the use of program income for both project and administrative costs.</p> <p>In addition, the HOME program will update the procedures manual to:</p> <ul style="list-style-type: none"> • Reference the regulations related to HOME program income. • Provide detailed navigation steps for IDIS. • Assign specific staff responsibilities. • Include instructions for establishing discrete accounting codes for federal and program income funds, to include separate codes for Department administration, grantee administration, and project expenses. <p>The Accounting Department will update the procedures manual to:</p> <ul style="list-style-type: none"> • Reference the regulations for use of HOME program income. • Outline the steps required before federal dollars are drawn, this includes requirements for entering the program income into IDIS prior to drawing funds. • Assign specific staff responsibilities, including supervisory review. • Identify the timing of notification to program management of program income balances. 	

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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	004 (Cont'd)	<p>Oversight of corrective actions will include:</p> <ul style="list-style-type: none">• Monthly report of program income balance, interest earned, and uses of the balances will be provided to the Program Manager of the HOME program.• Monthly review by the Accounting Supervisor of the reconciliation.• Testing of the corrective action process by the Internal Auditor to ensure the corrective actions implemented effectively address federal draw requirements. <p>The Department determined the interest on the program income account was \$96. The Department will ensure the interest earned on the program income remains below \$100 in the future by maintaining a minimal balance in the program income bank account.</p> <p>As of June 30, both the HOME Program and the Accounting Office have drafted procedures for the use of HOME program income, and are confirming their efficacy. Testing will be completed by the Internal Auditor by August 31, 2014.</p> <p>The conditions noted in this finding were previously reported in finding 12-08.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-005.</p>

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Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2013	005	Finding:	The Employment Security Department did not attempt to collect \$881,375 overpaid to claimants for Federal Additional Compensation unemployment and insurance.				
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>17.225 ARRA and non-ARRA</td><td>\$881,375 ARRA</td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	17.225 ARRA and non-ARRA	\$881,375 ARRA
		<u>CFDA#</u>	<u>Amount</u>				
		17.225 ARRA and non-ARRA	\$881,375 ARRA				
		Status:	Corrective action complete				
Corrective Action:	On September 7, 2012, the Department completed the necessary computer programming to bill, collect, and account for Federal Additional Compensation (FAC) overpayments. While the questioned costs are no longer collectible under state law, billing statements were mailed to claimants who had outstanding FAC overpayment balances. As of December 6, 2013, the Department successfully collected \$4,616,730 in FAC overpayments. Department collection efforts will continue as permitted by state and federal law.						
	During fiscal year 2013, outstanding questioned costs of \$440,925 for fiscal year 2012 were reviewed as part of the U.S. Department of Labor (USDOL) audit resolution process. Although the costs were not allowed, the federal grantor waived collection. The Department will address the fiscal year 2013 questioned costs with the USDOL.						
		The condition noted in this finding was previously reported in finding 12-10.					
		Completion Date:	September 2012				

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Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	006	Finding:	The Employment Security Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Workforce Investment Act program.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>17.258 ARRA and non-ARRA</td><td>\$0</td></tr><tr><td>17.259</td><td></td></tr><tr><td>17.260 ARRA</td><td></td></tr><tr><td>17.278</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	17.258 ARRA and non-ARRA	\$0	17.259		17.260 ARRA		17.278	
		<u>CFDA#</u>	<u>Amount</u>										
		17.258 ARRA and non-ARRA	\$0										
		17.259											
		17.260 ARRA											
17.278													
Status:	Corrective action complete												
Corrective Action:	The Department developed internal controls including policies and procedures for ensuring sub-awards are properly reported on the Federal Funding Accountability Transparency Act Subaward Reporting System (FSRS). These controls include review and reconciliation of entries to the federal grant documents for accuracy. As of March 7, 2014, the Department was able to access the FSRS and start maintaining sub-award information.												
Completion Date:	March 2014												

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Department of Ecology

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	007	<p>Finding: The Department of Ecology did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Performance Partnership Grant program.</p> <p>Questioned Costs: <u>CFDA#</u> 66.605 <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department concurs with the finding. To address the weaknesses noted in the finding, the Department has:</p> <ul style="list-style-type: none"> • Conducted training on Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. • Clarified written procedures to ensure FFATA reports are submitted accurately, timely and reviewed by an appropriate manager. • Corrected improper sub-awards reported in the FFATA Sub-award Reporting System. • Communicated updated procedure and conducted training to the team assigned the responsibility of reporting FFATA data. <p>Completion Date: February 2014</p>	

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2014**

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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

Department of Ecology

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	008	<p>Finding: The Department of Ecology improperly claimed \$53,971.49 in federal reimbursement for the Performance Partnership Grant program.</p> <p>Questioned Costs: <u>CFDA#</u> 66.605 <u>Amount</u> \$53,972</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department concurs with the finding. The Department will establish Department wide procedures to ensure managers, supervisors and staff have guidance on how to properly charge work and leave time to federal grant programs. These procedures will be communicated to supervisors and staff once finalized. The Department will consult with the Environmental Protection Agency to determine if any questioned costs should be repaid.</p> <p>Completion Date: Estimated September 2014</p>	

State of Washington
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Office of the Superintendent of Public Instruction

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	009	<p>Finding: The Office of the Superintendent of Public Instruction does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Migrant Education and Title IIA Improving Teacher Quality programs are filed.</p> <p>Questioned Costs: <u>CFDA#</u> 84.011 84.367</p> <p><u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Office concurs that some sub-awards were not reported through the Federal Funding Accountability and Transparency Act Subaward Reporting System. Effective March 2014, a review is conducted after sub-awards are submitted and any corrections are made before the monthly reporting due date. The review will entail a spot check of sub-awards to ensure accurate and complete reporting. Documentation of the review is retained for audit purposes.</p> <p>Completion Date: March 2014</p>	

**State of Washington
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Office of the Superintendent of Public Instruction

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	010	<p>Finding: The Office of the Superintendent of Public Instruction does not have sufficient controls over, and was not compliant with, the requirements for determining subawards for each school district's share of Migrant Education funding.</p> <p>Questioned Costs: <u>CFDA#</u> 84.011 <u>Amount</u> \$0</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Office agrees there was an error in the allocation of sub-awards for both regular and summer programs. The average error for each sub-award was \$670 for the summer program and \$1,653 for the regular program.</p> <p>Future allocations of sub-awards will be reviewed by the Director of Federal Fiscal Policy/Grant Management or designee. The review will entail an analysis of allocations to ensure they are accurately calculated and comply with federal regulations.</p> <p>Completion Date: Estimated July 2014</p>	

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Department of Services for the Blind

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	011	<p>Finding: The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.</p> <p>Questioned Costs: <u>CFDA#</u> 84.126 <u>Amount</u> \$1,119,396</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department agrees with the finding. Upon receipt of the initial finding in 2012, the Department submitted an indirect cost rate proposal to the U.S. Department of Education on February 26, 2013 and requested a negotiated settlement for questioned costs.</p> <p>The Department has been working with the U.S. Department of Education since this time to receive approval of the indirect cost plan and a settlement of the questioned costs. Recent communications with the Department of Education indicated that they desire to have the issue resolved by February 28, 2014.</p> <p>Based on direction from the Rehabilitation Services Administration, the Department has ceased applying indirect costs to federal grants pending approval of the indirect cost rate proposal.</p> <p>Going forward the Department will include submission of the annual plan on its operations calendar to ensure the indirect cost rate is approved annually and the correct rate is used.</p> <p>The condition noted in this finding was previously reported in finding 12-17.</p> <p>Completion Date: April 2014</p>	

**State of Washington
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Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2013	012	Finding:	The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.						
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$0</td></tr><tr><td>93.889</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									
		Status:	Refer to finding 2014-016						
		Corrective Action:	<p>The Department consulted with federal grantors on this matter to get a clear understanding of how level of effort should be determined. After this consultation, the Department identified the proper amount for level of effort for the 2013-2014 grant budget year and submitted that to federal grantors.</p> <p>A level of effort tracking system was developed and put into place in July 2013, which identifies level of effort funding sources and documents expenditures during the course of the grant budget year.</p> <p>The condition noted in this finding was previously reported in findings 12-21 and 11-20.</p>						
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-016.						

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Summary Schedule of Prior Audit Findings
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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	013	<p>Finding: The Department of Health does not have sufficient internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.</p> <p>Questioned Costs: <u>CFDA#</u> 93.069 93.889</p> <p><u>Amount</u> \$0</p> <p>Status: Refer to finding 2014-017</p> <p>Corrective Action: The Department collected the Federal Funding Accountability and Transparency Act (FFATA) information and attempted to report this information, however the grant award was not added to the FFATA Subaward Reporting System (FSRS) by the grantor. The Department of Health does not have access to add missing awards.</p> <p>Per the auditor's recommendations, the Department revised its procedures and will email the federal grantor when awards reportable under the FFATA are not available to report on in the FSRS. This change was effective January 1, 2014.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-017.</p>	

**State of Washington
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University of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2013	014	Finding:	The University of Washington does not have monitoring controls to ensure subrecipients expending \$500,000 or more in total federal dollars obtain an audit.								
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.145</td><td>\$0</td></tr><tr><td>93.266</td><td></td></tr><tr><td>93.600</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.145	\$0	93.266		93.600	
<u>CFDA#</u>	<u>Amount</u>										
93.145	\$0										
93.266											
93.600											
		Status:	Corrective action complete								
		Corrective Action:	<p>During fiscal year 2013 the University monitored subrecipients and took steps to enhance monitoring controls. In addition to the existing monitoring controls that were already in place, the University:</p> <ul style="list-style-type: none">• Updated the audit notification language in our subcontracts regarding subrecipient audit requirements, including foreign entities and regardless of the amount of total federal United States dollars that the entity expends.• Conducted a review of all fiscal year 2013 active and current subcontracts to ensure the University had obtained and reviewed subrecipient audits, as required.• Enhanced the University’s tracking and process documentation related to subrecipient monitoring including documentation of dates audit reports were obtained and reviewed.• Implemented a Subrecipient Financial Questionnaire used at initiation of each subcontract to assist in determining the audit status of each entity as well as to operate as a risk assessment tool.• Developed a master listing of all subrecipients and related audit information; and developed a Subrecipient Entity Review Form to document information related to the subrecipient’s audit report and review. <p>Starting in fiscal year 2014, the University developed a Subrecipient Annual Certification Form to be sent to and certified by each subrecipient entity annually to update the audit status of the entity.</p> <p>The condition noted in this finding was previously reported in finding 12-22.</p>								
		Completion Date:	June 2014								

**State of Washington
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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2013	015	Finding:	The Department of Early Learning does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Care Development Fund program are filed.						
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$0</td></tr><tr><td>93.596</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									
		Status:	Refer to finding 2014-025						
		Corrective Action:	<p>The Department believes it accurately reports subrecipient awards under CFDA# 93.596, the Child Care Mandatory and Matching funds of the Child Care Development Fund (CCDF).</p> <p>However, the Department is unable to comply with the requirement to report subrecipient awards under CFDA# 93.575 because the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) does not allow recipients to report this particular data (the system functionality simply doesn’t exist). The Department’s understanding is that this is a national problem not just limited to Washington state. The Department has requested further clarification on reporting requirements by contacting FSRS support desk personnel, its CCDF federal liaison, and the Office of Management and Budget (OMB). At this time, the Department is still unable to report subrecipient information in FSRS for the CCDF awards, but as soon as the functionality to report awards under CFDA# 93.575 exists within FSRS, or the Department is provided with another means to report, the Department will meet this mandate.</p> <p>The Department has developed a coding structure to aid in reconciliation at year-end to ensure accuracy of FFATA reports. Additionally, the Department will be establishing policies and procedures to ensure compliance with FFATA reporting requirements, and will include a process for dual reviews of the data for accuracy.</p>						
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-025.						

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2013	016	Finding:	The Department of Early Learning does not have adequate internal controls over direct payments to child care providers.						
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$0</td></tr><tr><td>93.596</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									
		Status:	Refer to finding 2014-023						
		Corrective Action:	<p>The Department of Early Learning (the Department) and the Department of Social and Health Services (DSHS) continue to make consistent progress in actively auditing and recovering overpayments.</p> <p>In January 2012, the Working Connection Child Care (WCCC) subsidy audit team was created to meet federal internal control requirements of the WCCC subsidy program. The team started with four Quality Assurance (QA) specialists and one lead worker. In December 2013, the team hired three new quality assurance (QA) specialists. From February 2014 through the end of May 2014, the Department had two QA specialists dedicated to the Federal Improper Payment Audit. Beginning in February 2014, the Department’s QA specialists have continued audits of fiscal years 2013 and 2014 including the following months: July, August, September, and October 2012 and July, August, September, and October 2013.</p> <p>Prior to the start of this audit, the DSHS Office of Financial Recovery (OFR), the DSHS Office of Fraud and Accountability (OFA), and the Department agreed to implement improved overpayment processes, which focus on using an existing but underutilized vendor overpayment system. As of February 2014, the Department has initiated work on the July 2012 reconciliation. Part of the audit team will work on fiscal year 2013, and the remaining team will work on fiscal year 2014, along with the federal Improper Payment Audit.</p> <p>Starting in July of 2014, the Department will collaborate with DSHS on interagency and interdivision Lean Six Sigma process improvement effort to address the high rate of overpayments the Department is currently experiencing. The effort will include mapping multiple related work processes, trying to identify variables that may contribute to overpayments and identifying improvements that can be made to these processes that could help lower the rate of overpayments.</p> <p>The condition noted in this finding was previously reported in findings 12-28, 11-23, 10-31, 09-12 and 08-13.</p>						
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-023.						

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2013	017	Finding:	The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.						
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$0</td></tr><tr><td>93.596</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
		<u>CFDA#</u>	<u>Amount</u>						
		93.575	\$0						
		93.596							
Status:	Refer to finding 2014-026								
Corrective Action:	<p>The Department of Social and Health Services (the Department) and the Department of Early Learning (DEL) have taken and completed the following actions:</p> <p>The Department implemented the following monitoring protocols to establish an appropriate separation of duties between staff who determine eligibility and staff who authorize payments:</p> <ul style="list-style-type: none">Regional staff review an integrity report quarterly, which identifies cases where the same staff member has authorized four or more payments in a 15 month period without authorization activity from other staff. To date, the report has not identified any cases resulting in a finding of improper authorization activities.A separation of duties protocol has been instituted that does not allow a staff member who activates a license-exempt provider to make any payment authorizations for that provider. This electronic process reduces the potential for fraudulent payment authorizations. <p>DEL has issued a request for proposals for a legislatively mandated time and attendance/payment system (AP), as well as for a new authorization interface (AI). The AI will be a new authorization and eligibility determination system, with the intent of streamlining the eligibility process. The goals of the new AI and AP systems are to reduce errors and fraud, and increase accuracy of payment authorization and billing by providers for services they provided. The new systems will reduce errors by decreasing the manual steps currently required.</p>								

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	017 (Cont'd)	<p>The Department will continue to perform the following child care authorization audits:</p> <ul style="list-style-type: none"> • 1.6% of open authorizations. • 100% of exceptional payment authorizations to ensure they are reviewed and approved by a supervisor before payments are made. An example of an exceptional payment is when a child requires, and is authorized for, more than 230 hours of care per month due to extenuating circumstances such as a parent with multiple approved activities (school and work, etc.). • 100% of pre authorization and post authorization work for all new childcare workers. • Data provided monthly by the Health Care Authority which identifies error prone cases to audit for eligibility and areas where policy clarification, training, or systems support can increase accuracy. <p>DEL established a specialized child care audit team January 1, 2012. The audit team is tasked with reviewing time and attendance records and provider payments. DEL hired five additional auditors in January 2013, increasing the audit team to nine members. The DEL audit team has increased the population of authorized payments reviewed for payment and billing accuracy.</p> <p>The Department and DEL will implement the following child care program reform initiatives* by January 2015:</p> <ul style="list-style-type: none"> • The Working Connections Automated Program (WCAP) screens will be updated so they are more user friendly and provide more accuracy in the eligibility determination process. • The Department will simplify and streamline child care verification requirements at the time of application, through certification period, and at recertification. The Department will update the Child Care Subsidy Program Handbook and will notify Community Services Division staff regarding the changes. <p><i>*These child care program reform initiatives are part of the Aclara Reform Project. The Aclara Reform Project is co-sponsored by the Department and DEL in response to an external child care program review requested by the Legislature and performed by the Aclara Group.</i></p> <p>The conditions noted in this finding were previously reported in finding 12-30.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-026.</p>

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	018	<p>Finding: The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.</p> <p>Questioned Costs: <u>CFDA#</u> 93.659 <u>Amount</u> \$6,044</p> <p>Status: Corrective action complete</p> <p>Corrective Action: During the course of this audit, the Department implemented corrective actions to prevent inappropriate payments. These actions were:</p> <ul style="list-style-type: none"> • Implementing an automated process within FamLink to hold all payments at the age of 18. Social workers must have proper documentation in place prior to the continuation of payments. • Requiring fiduciary staff to review documentation that supports the need to continue payments for children beyond the age of 18. This is a secondary review that is done prior to the manual approval of an adoption assistance payment. <p>In February 2014, the Department resolved the exceptions identified in the audit. The federal share of the questioned costs were returned to the grantor.</p> <p>The condition noted in this finding was previously reported in findings 12-32, 11-24, 10-32, 09-14, and 08-17.</p> <p>Completion Date: February 2014</p>	

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Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	019	Finding:	The Department of Health did not survey all hospitals and home health agencies in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
		93.777											
93.778 ARRA and non-ARRA													
Status:	Refer to finding 2014-028												
Corrective Action:	<p>In an effort to meet federal requirements, the Department implemented a new process for performing state hospital and home health surveys and completed staff training on this process. This will help shorten the time and reduce the number of staff needed to complete the surveys.</p> <p>Under the new process with fully trained staff, the Department anticipates that all surveys will now be performed as required.</p> <p>The condition noted in this finding was previously reported in findings 12-33 and 11-25.</p>												
Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-028.												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	020	Finding:	The Health Care Authority does not comply with the data-sharing requirements of State law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$0												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-034										
		Corrective Action:	<p>The Authority continues to disagree with this finding. The Authority is in compliance with the Deficit Reduction Act of 2005 and associated state law. The Authority meets this standard by making data available to all insurers to use for third-party liability reporting and by matching data directly with those insurers most likely to provide third-party coverage to Medicaid recipients.</p> <p>Although the Authority maintains its compliance with the Deficit Reduction Act, it has also taken steps to enhance data sharing to ensure that it continues to have a strong third-party liability program. Those steps include:</p> <ul style="list-style-type: none">• Implementation of the Payer-Initiated Eligibility/Benefit Transaction (PIE) in July 2013 and subsequent communication with major insurers in Washington state requesting their participation in implementation of the PIE transaction and electronic sharing of third-party liability data. While other states have adopted other formats for data sharing, PIE is the actual manner and national standard format for data sharing. Although the Authority has successfully implemented the PIE transaction and will continue to encourage carrier adoption, it is important to note that the Authority has no authority to compel carriers to participate in use of the transaction for electronic data exchange. The Authority’s successful implementation is viewed by the federal Centers for Medicare and Medicaid Services as a model implementation and best practice.										

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	020 (Cont'd)	<ul style="list-style-type: none">• In addition, the Authority contracted with Health Management Systems Inc. since February 2011, to provide enhanced data matching and identification of a client's primary medical insurance coverage. The contracted activities include conducting electronic data exchanges with health insurers, and verifying and updating the insurance eligibility of Medicaid recipients for billing liable third parties on behalf of the Authority. <p>The conditions noted in this finding were previously reported in finding 12-49, 11-38, 10-40, 09-19 and 08-25.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-034.</p>

**State of Washington
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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	021	Finding:	The Health Care Authority did not have adequate controls in place to ensure all critical access hospitals were paid accurately.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Refer to finding 2014-038												
Corrective Action:	<p>The Authority partially disagrees with this finding. The Authority follows its current Washington Administrative Code (WAC) as it relates to the requirement for Critical Access Hospitals (CAH) to submit their ‘as filed’ and ‘final settled’ versions of their Medicare cost report to the Authority. WAC 182-550-2598 (11) states:</p> <p>“The department performs finalized cost settlements using the same methodology as outlined in subsection (10) of this section, except that the department uses the hospital's "final settled" Medicare cost report instead of the initial "as filed" Medicare cost report for the HFY being cost settled. The "final settled" Medicare cost report received from the Medicare fiscal intermediary must be submitted by the CAH to the department by the sixtieth day of the hospital's receipt of that Medicare cost report.”</p> <p>The Authority now uses the Center for Medicare and Medicaid Services Healthcare Cost Report Information System database to obtain final cost report data for these hospitals. The Authority is currently performing the final settlements on the outstanding cost reports identified in the finding.</p>												
Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-038.												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	022	<p>Finding: The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u></p> <p>Costs: 93.720 ARRA \$171,568</p> <p>93.775</p> <p>93.777</p> <p>93.778 ARRA and non-ARRA</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Authority concurs that there were instances of missing Social Security numbers due to staff errors. The Authority will review training opportunities with staff whose primary duties include processing of Medicaid applications. This training will include policy, procedures, and proper use of automated systems.</p> <p>The Authority will review all cases identified in the finding and re-determine eligibility and consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.</p> <p>Completion Date: Estimated December 2014</p>	

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	023	Finding:	The Health Care Authority does not have adequate controls to ensure inpatient high outlier payments to hospitals are accurate.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$42,196</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$42,196	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$42,196												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-032										
		Corrective Action:	<p>The Authority partially disagrees with this finding. The Authority follows its current Washington Administrative Codes (WACs) correctly in calculating outlier costs. It removed “noncovered charges” as they are defined in the below WACs:</p> <ul style="list-style-type: none">WAC 182-550-3700 (14) “.... The estimated costs of the claim are calculated by multiplying the total submitted charges, minus the noncovered charges on the claim, by the hospital's ratio of costs-to-charges (RCC) rate...”WAC 182-550-1050 ‘....."Noncovered charges" means billed charges submitted to the department by a provider on a claim that are indicated by the provider on the claim as noncovered.” <p>The WAC does not address denied charges. The auditor excluded both noncovered and denied charges in the high outlier payments calculation.</p> <p>The Authority has taken the following steps for addressing the findings:</p> <ul style="list-style-type: none">The Authority changed its WAC and payment system to align with the auditor’s calculation methodology. Denied charges are no longer included in the part of the outlier calculation related to costs.The Authority has reallocated the inpatient program workload in order to allow additional capacity for monitoring system and rate changes. All changes are then reviewed by Authority staff for accuracy.										

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	023 (Cont'd)	<p>The Authority initiated action to recoup and repay incorrect payments identified by the auditor that were paid with the outdated high outlier calculation. For the other claims, as stated above, the current WAC does not allow the agency to remove charges, other than those that the WAC defines as “noncovered charges” when the agency calculates costs for outlier payments.</p> <p>The Authority will follow its standard procedures for the repayment of questioned costs.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-032.</p>

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	024	Finding:	The Health Care Authority’s internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate, resulting in over \$95,000 in potential overpayments on premium rates paid to the managed care organizations.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$47,686</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$47,686	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$47,686										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Corrective action not taken												
Corrective Action:	<p>The Authority does not concur with this finding.</p> <p>The Authority disagrees with the methodologies used to identify questioned costs in this audit finding for three reasons.</p> <p>First, questioned costs were identified in a performance audit which is intended to improve management of the program. No evidence is presented to support that the payments in question directly impact the managed care rates, as the auditor claims. As a result, the Authority is unable to confirm the questioned costs.</p> <p>Second, the audit finding states that items identified as “errors” were “not paid in compliance with standard medical coding practices or were not properly supported with appropriate documentation”. This is not necessarily an overpayment; it only shows that documentation should be stronger and practices need to be standardized.</p> <p>Finally, the audit finding uses an actuarial analysis to assert that “for every \$1 in overpayments made by the two audited MCOs to their providers in 2010, the state potentially paid an additional \$1.26 in premiums to all MCOs in fiscal year 2013.” While this analysis can be used to identify performance improvements possible in the managed care program, the analysis clearly states there is only a potential for overpayment. No identification of an actual overpayment is made. In addition, the actuarial analysis is not based on the sample of payments in question.</p> <p>In the background section of the finding, it is noted that this repeat finding questions the accuracy of encounter data and cites the lack of review of data provided to the actuary and used to set rates.</p>												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	024 (Cont'd)	<p>The Authority agrees that additional oversight and controls of Managed Care Organizations (MCO) will strengthen the state's ability to adequately manage the MCO contracts.</p> <p>Organizational and contract changes that increase oversight were implemented and include:</p> <ul style="list-style-type: none">• Establishment of an Encounter Data Quality Control Unit for validation of encounter data. Established fall of 2013.• Addition of an encounter data reconciliation process into the 2015 managed care contract. This process validates submitted encounter data against MCO cost reports and includes withhold provisions and returns funds if MCOs are able to adequately reconcile to cost reports. <p>The conditions noted in this finding were previously reported in findings 12-47, 11-40, 10-44 and 09-22.</p> <p>Completion Date: N/A</p>

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	025	Finding:	The Health Care Authority did not invoice Medicaid drug rebates to drug manufacturers in accordance with the time frame stipulated by state and federal laws.										
		Questioned Costs:	<table><thead><tr><th><u>CFDA#</u></th><th><u>Amount</u></th></tr></thead><tbody><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></tbody></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Corrective action in progress												
Corrective Action:	<p>The Authority agrees with the finding. The Authority strives to ensure that drug rebate invoices reflect correct utilization and unit rebate amounts. As such, system modifications and unanticipated data patches have had to be implemented which caused the invoice delays.</p> <p>The Authority is taking the following steps to improve timely invoicing for drug rebates:</p> <ul style="list-style-type: none">• Re-evaluate and streamline the invoicing workflow established during the ProviderOne implementation.• Review responsibilities and timeline requirements for each element of the invoicing process.• Elevate drug rebate system modifications to a higher priority.												
Completion Date:	Estimated December 2014												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	026	Finding:	The Health Care Authority’s inadequate internal controls over claims from Federally Qualified Health Centers led to more than \$226,279.66 in improper payments to providers.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$113,139</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$113,139	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$113,139												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-036										
		Corrective Action:	<p>The Authority agrees with the finding.</p> <p>The Authority is performing the following activities to address this finding:</p> <ul style="list-style-type: none">• Complete the update of both the Washington Administrative Code (WAC) and provider billing guide to clearly define allowable encounters; and• Update ProviderOne system logic to align with the WAC and billing guide and ensure that system edits are in place to prevent overpayments and improper billings at the point of claim submission. <p>In addition, the Authority will recoup the overpayments from the Federally Qualified Health Centers and work with the U.S. Department of Health and Human Services to discuss repayment of questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 12-45.</p>										
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-036.										

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	027	Finding:	The Health Care Authority’s inadequate internal controls over claims for dental services led to more than \$584,511.96 in overpayments to providers.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$292,256</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$292,256	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$292,256												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-033										
		Corrective Action:	<p>The Authority agrees with the finding. The Authority has taken the following steps to address the audit finding:</p> <ul style="list-style-type: none">• Fluoride treatment for children: The Authority agrees that the billing guide, Washington Administrative Code (WAC) and ProviderOne are not aligned. The Authority’s intent is to allow fluoride with limits based on the client’s age and client type, per client, per provider. The revised WAC was effective April 29, 2014.• Dental Cleanings: The previous fiscal year’s audit identified system issues that have been corrected and the Authority’s Office of Payment Integrity is recouping overpayments.• Oral Evaluations: The previous fiscal year’s audit found that the Authority’s billing guide and WAC were not aligned with ProviderOne and the Authority’s intended policy to allow periodic oral evaluations three times per year for clients of the Developmental Disabilities Administration to coincide with cleanings. The revised WAC was effective April 29, 2014, and the Medicaid Billing Guide was updated to reflect the changes effective May 1, 2014.• Orthodontic Services: Although Authority rule limits the services to once in a lifetime the rules also permit exceptions to this limit through the Authority’s prior authorization process based on Early Periodic Screening, Diagnosis and Treatment (EPSDT) and exception to rule. The Authority reviewed the seven claims identified in this audit and found that in each case the provider requested prior authorization and the Authority granted authorization based on the clients’ medical necessity.• Oral Hygiene Instructions: The Authority identified a system issue which has been corrected.										

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	027 (Cont'd)		The Authority will follow its standard procedures through the Office of Program Integrity for recouping overpayments and repayment of questioned costs. The conditions noted in this finding were previously reported in finding 12-53.
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-033.

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	028	Finding:	The Health Care Authority did not complete the required security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Corrective action complete												
Corrective Action:	<p>The Authority disagrees with this finding. The Authority does not agree that ProviderOne security reviews are lacking or that lack of controls and monitoring in the contract introduce a significant system security review deficiency. While neither expected nor required by the federal government for any Medicaid payment system, to strengthen the Authority’s ability to monitor vendor controls, the Authority added a requirement for external audit to the ProviderOne vendor contract in January 2013. This includes security reviews of servers and production databases and will provide additional assurance that effective controls are in place. Under the new requirement, the ProviderOne vendor is required to undergo biennial Service Organization Control (SOC) examinations and obtain reports from subcontractors. As previously reported, the satisfaction of this SOC examination occurs in multiple phases including the final completion of the examination in the first quarter of 2014.</p> <p>The following milestones of this audit were completed on time in 2013 and the ProviderOne vendor has met all contractual obligations:</p> <ul style="list-style-type: none">On March 31, 2013, the ProviderOne vendor provided the Authority the required examination reports from subcontractors.On December 31, 2013, the ProviderOne vendor completed documentation for the controls and delivered results to the Authority.The final phase of this audit was completed in the first quarter of this year. <p>The Authority has and continues to ensure that the appropriate safeguards and effective controls are in place to protect Medicaid program integrity and data security.</p> <p>The conditions noted in this finding were previously reported in finding 12-48.</p>												
Completion Date:	June 2014												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	029	Finding:	The Health Care Authority improperly claimed \$73,788.62 in federal reimbursement for unallowable services provided to undocumented aliens and services that were not rendered to deceased Medicaid clients.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$73,789</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$73,789	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$73,789										
		93.775											
		93.777											
		93.778 ARRA and non-ARRA											
Status:	Corrective action in progress												
Corrective Action:	<p>The Authority concurs that it made improper reimbursement for Medicaid clients where later research and analysis showed the clients were deceased. The Authority believes that adequate controls are in place to identify deceased clients as soon as possible following the date of death. Specifically, the Authority receives death records from the Department of Health as soon as they are available to identify Medicaid clients. Payments to deceased clients have been significantly reduced.</p> <p>The Authority also concurs that it made payments on behalf of non-qualified aliens for non-emergency related services. The Authority will continue to provide training to staff on proper coding of services provided to non-qualified aliens.</p> <p>The Authority will review all cases and consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.</p>												
Completion Date:	Estimated December 2014												

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	030	Finding:	The Health Care Authority did not have adequate controls in place to ensure violations of Medicaid laws and regulations by providers are identified, investigated and referred to the Medicaid Fraud Control Unit, risking the loss of public resources.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Corrective action in progress.												
Corrective Action:	<p>The Authority does not concur with this finding. The Authority maintains that adequate controls are in place to ensure that violations of Medicaid laws and regulations, including all fraud related cases, are identified and referred to the Medicaid Fraud Control Unit (MFCU) in a timely manner.</p> <p>All referrals received by the Office of Program Integrity (OPI) are initially scrutinized for materiality, severity, and credibility before they are entered into the Case Tracking application; those deemed most substantive are reviewed immediately, and all fraud related cases are referred to MFCU.</p> <p>OPI staff has historically entered all referrals; both fraud and non-fraud related client complaints, into the Case Tracking tool, as well as Medical Service Verification cases, even though they reflect cases of historically low risk and low value. The number and age of cases tracked are therefore not accurate measures of how OPI manages referrals or processes allegations of fraud and it is wrong to conclude that the Authority does not have control of its caseload and does not refer all appropriate cases to the MFCU in a timely manner. Processes are in place to prioritize the work of Surveillance and Utilization Review Section investigators, ensuring that the Authority is addressing those cases with the highest potential for fraud, waste, and abuse, and properly utilizing our resources to focus on cases that yield the highest return on investment.</p> <p>While disagreeing with the finding, the Authority concurs with several recommendations in the audit. The OPI is currently writing and revising its policies and procedures; increasing supervisory oversight and control of staff activities and documentation; and analyzing the feasibility of enhancement or replacement of its current case tracking system.</p>												

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2014

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June 30, 2014

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	030 (Cont'd)	<p>These operational initiatives will provide additional focus and strengthen OPI's internal processes.</p> <p>The conditions noted in this finding were previously reported in finding 12-44, and 11-46.</p> <p>Completion Date: Estimated August 2014</p>

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Summary Schedule of Prior Audit Findings
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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	031	Finding:	The Health Care Authority did not have adequate controls in place to ensure services billed by providers were rendered to Medicaid beneficiaries, risking the loss of Medicaid resources.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$0												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-039										
		Corrective Action:	<p>The Health Care Authority (Authority) does not concur with this finding and asserts that adequate controls are in place to ensure Medicaid services billed by providers were rendered to Medicaid clients.</p> <p>The Authority maintains that it is in compliance with 42 CFR 455.20 that states “the agency must have a method for verifying with beneficiaries whether services billed by providers were received.” The Authority does have such a method in place, although planned improvements to that process were not completed during fiscal year 2013.</p> <p>Although fraud might be detected by issuing random verification forms, experience has proven that limited staff resources are better utilized when the targets for oversight are strategically selected. Using informed allegations, as well as sophisticated analytical tools (behavior modeling, algorithms, comparisons and trends, spike reports, etc.) the Office of Program Integrity has identified millions in overpayments. By contrast, the Medicaid Services Verification (MSV) process has proven to have no value in detecting fraud and the Authority maintains that resources spent on MSV processing actually reduces its ability to focus on program integrity activities that increase controls.</p> <p>While disagreeing with the finding, the Authority concurs with several recommendations in the audit. The change request that refines the service selection process and includes the beneficiary on the form has been approved and is scheduled for implementation in July 2014. In addition, the Office of Program Integrity is currently writing and revising policies and procedures, and increasing supervisory oversight and control of staff activities and documentation. Together, these actions will eliminate the causes of the audit conditions.</p>										

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	031 (Cont'd)		The conditions noted in this finding were previously reported in findings 12-54 and 11-39.
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-039.

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Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	032	Finding:	The Health Care Authority does not have adequate internal controls to ensure Medicaid drug rebate amounts are accurately reported in CMS 64 report.										
		Questioned Costs:	<table><thead><tr><th><u>CFDA#</u></th><th><u>Amount</u></th></tr></thead><tbody><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></tbody></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$0										
		93.775											
		93.777											
		93.778 ARRA and non-ARRA											
Status:	Corrective action in progress												
Corrective Action:	<p>The Authority agrees with this finding.</p> <p>The formatting and formulas on the report used to prepare the Medicaid Drug Rebate Schedule (CMS-64.9R) have been reviewed and corrected. The CMS-64.9R was completed and reported correctly for the December 2013 quarter.</p> <p>The Authority will work with the Center for Medicare & Medicaid Services to address the errors on the previously reported CMS-64.9R forms.</p>												
Completion Date:	Estimated August 2014												

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	033	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, did not respond to nursing home complaints in a timely manner, which could leave Medicaid clients residing in nursing homes vulnerable to serious injury or harm.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$0												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-045										
		Corrective Action:	<p>The Department initiated corrective actions on this finding during the course of the audit. The following actions were taken to strengthen the Department’s internal controls surrounding responses to nursing home complaints:</p> <ul style="list-style-type: none">• A Lean process improvement was completed in December 2013. This helped identify workflow issues that contributed to the unit’s inability to process intakes within the required time frames.• In December 2013, the Complaint Resolution Unit (CRU) implemented the following workflow changes:<ul style="list-style-type: none">○ All intake workers participated in significant training to improve the quality of their initial and final work product. This relieved a workflow chokepoint by allowing the supervisors to target their quality review and support activities. It also greatly reduced rework of intakes.○ The CRU changed from a general queue of pending intakes to assignment of intakes to individual workers. Each worker is held accountable for timely completion of their assigned intakes and their queue is reviewed twice a day by a supervisor.○ Triage nurses were better utilized by changing their role from quality review of each intake to that of targeted technical assistance available to workers and supervisors. Targeted technical assistance focused on more complex and difficult complaints. This is possible because of the additional training to the workers and the realignment of supervisors’ duties.										

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	033 (Cont'd)	<p>By February 2014, the Department eliminated the backlog of pending intakes by temporarily assigning Field Unit Managers the task of working on the backlog of intakes.</p> <p>Since the Department has resolved the backlog and improved workflow, the onsite surveys are being conducted in a timely manner.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-045.</p>

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	034	<p>Finding:</p> <p>The Department of Social and Health Services, Aging and Disability Services Administration, did not adequately monitor supported living service providers to ensure all staff with contact to Developmentally Disable clients have a proper background check and are authorized to have access to vulnerable supported living clients.</p> <p>Questioned Costs:</p> <table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> <p>Status:</p> <p>Refer to finding 2014-044</p> <p>Corrective Action:</p> <p>In December 2013, the Department completed its meeting with residential providers across the State. Information and training was provided at these meetings on the updated background check policy. The updated policy included clearer language on background check standards.</p> <p>In March 2014, the Department held a provider leadership meeting and discussed background check rules and policies.</p> <p>Starting in March 2014, and ending in December 2014, the Department will hold regional quarterly provider meetings. In the course of these meetings the Department is planning on training providers and providing information on current background check policies.</p> <p>By April 2014 the Department took action on the exceptions identified in the audit. Staff identified as having a disqualified background check were immediately removed from having any access to the Department's clients served by that agency. The Supported Living administrator or designee provided verification of this action to the Department.</p> <p>Completion Date:</p> <p>The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-044.</p>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA		
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$0												
93.775													
93.777													
93.778 ARRA and non-ARRA													

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	035	Finding:	The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to providers totaling \$236,892.73.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$118,446</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$118,446	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$118,446										
		93.775											
		93.777											
93.778 ARRA and non-ARRA													
Status:	Corrective action complete												
Corrective Action:	<p>The Department disagrees with this finding.</p> <p>The Department has a cost settlement reconciliation process that corrects and adjusts supported living payments. The auditor’s review was completed on a state fiscal year, July 1 through June 30, while the Department’s Developmental Disabilities Administration (DDA) review is conducted annually on a calendar year. This in effect overstated any overpayment; half the year audited had yet to be reconciled by the Department. Had the reconciliation for calendar year 2013 occurred within the audit cycle, the Department would have corrected most, if not all, of the overpayments identified. All overpayments identified in the audit have been forwarded to the Department’s Office of Financial Recovery (OFR) for collection, consistent with DDA practices. At the end of one year, the federal grantor will be reimbursed if OFR is unable to collect the overpayment. Also, if the U.S. Department of Health and Human Services contacts the Department, action will be taken accordingly.</p> <p>The Department is confident its settlement process identifies nearly all overpayments; however, the Department is not satisfied until the overpayments are immaterial. To meet this end, the DDA added staff to the reconciliation process in February 2014. Also, if the budget allows, the Department plans to add additional staff for cost report reconciliation as a quality assurance measure. Finally, the Department plans on automating the reconciliation process with additional edits with the ProviderOne system that will prevent duplicate payments. This is tentatively scheduled for the last quarter of 2014.</p>												
Completion Date:	March 2014												

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	036	Finding:	The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate control to ensure Medicaid payments to supported living service providers are allowable and supported, resulting in unallowable payments of \$133,128.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$66,564</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$66,564	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$66,564										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Refer to finding 2014-042												
Corrective Action:	<p>The Department did not concur with this finding. However, the Department did develop a corrective action plan to help make its current processes more efficient.</p> <p>Supported living service providers are required to submit cost reports each April. By July 2014, the Department reconciled the hours and Instruction Support Service (ISS) dollars authorized against hours and ISS dollars provided. When and if the reconciliation process identified an overpayment it was forwarded to the Office of Financial Recovery (OFR). OFR is the program within the Department responsible for collecting overpayments. If the U.S. Department of Health and Human Services contacts the Department about the questioned costs, the Department will act accordingly.</p> <p>By September 2014, the Department will conclude its first year of auditing 20 percent of supported living providers. The scope of the audits is to reconcile employee hours against specific agency households.</p> <p>The conditions noted in this finding were previously reported in finding 12-39.</p>												
Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-042.												

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	037	Finding:	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor adult family home providers to ensure all caregivers and resident managers who are employed directly or by contract have proper background checks.										
		Questioned Costs:	<table><thead><tr><th>CFDA#</th><th>Amount</th></tr></thead><tbody><tr><td>93.720 ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></tbody></table>	CFDA#	Amount	93.720 ARRA	\$0	93.775		93.777		93.778 ARRA and non-ARRA	
CFDA#	Amount												
93.720 ARRA	\$0												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-048										
		Corrective Action:	Effective April 2014, the Department began reviewing background checks for 100 percent of the employees employed by the provider at the time of the inspection.										
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-048.										

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	038	Finding:	The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate internal controls to ensure cost of care adjustments paid to supported living service providers are allowable and supported, resulting in unallowable payments of \$604,661.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$302,331</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$302,331	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$302,331												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-041										
		Corrective Action:	<p>The Department has developed several corrective actions in response to this finding.</p> <p>In April 2014, the Department:</p> <ul style="list-style-type: none">Updated the Cost of Care Adjustment form. It now includes the updated guidelines for processing actual Cost of Care Adjustments (the updated form will be implemented in July 2014).Informed staff and providers about the updated guidelines. <p>In June 2014, the Department:</p> <ul style="list-style-type: none">Trained the Residential Resource Managers on the updated guidelines for processing cost of care adjustments. Reviewed updated information with contracted providers at the Regional Quarterly Provider meetings. <p>The Department is of the opinion the cost of care adjustments paid to supported living providers were accurate, and will work with the U.S. Department of Health and Human Services to resolve the questioned costs.</p>										
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-041.										

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	039	Finding:	The Department of Social and Health Services, Developmental Disabilities Administration, did not consistently pay supported living providers at authorized daily rates.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$695</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$695	93.775		93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>												
93.720 ARRA	\$695												
93.775													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 2014-040										
		Corrective Action:	<p>In February 2014, the Department reviewed the three exceptions identified in the audit. Two overpayments were written and submitted to the Office of Financial Recovery for further collection actions. After reviewing the third exception, the Department determined an overpayment did not exist.</p> <p>The Department is in the process of changing the current payment system from the Social Service Payment System (SSPS) to ProviderOne (P1). The P1 payment system will have edits that will only allow non-duplicated approved rates to be paid. This will alleviate payment errors caused by duplicate authorizations. It is anticipated this will be implemented by October 2014.</p> <p>By December 2014, the Department is anticipating developing an automated system that transfers electronically approved rates to the rate file. This will also allow for electronic transfer to P1 for payments.</p>										
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-040.										

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2013	040	Finding:	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not perform background checks for some in-home care individual providers in accordance with state law.										
		Questioned Costs:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.720 ARRA</td><td>\$182,305</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.720 ARRA	\$182,305	93.775		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA#</u>	<u>Amount</u>										
		93.720 ARRA	\$182,305										
		93.775											
93.777													
93.778 ARRA and non-ARRA													
Status:	Refer to finding 2014-049												
Corrective Action:	<p>The Department concurs with this finding, although the contracts for the majority of disqualified individual providers (39 of 48) were terminated by the Department’s Aging and Long-Term Support Administration (ALTSA) prior to the audit.</p> <p>Corrective action plans were developed and implemented as a result of the fiscal year 2012 audit; however, the fiscal year 2013 audit does not capture the results of the corrective actions taken by the Department due to the timing of the audit.</p> <p>As a result of the fiscal year 2013 audit, and to continue the corrective actions developed following the fiscal year 2012 audit, the Department has taken or will take the following actions:</p> <ul style="list-style-type: none">• In April 2014:<ul style="list-style-type: none">○ Reviewed and took action on the corrective action plans developed by AAA’s where significant deficiencies existed.○ Developed training materials to distribute to field offices to ensure staff understand how to interpret the different types of determination letters produced by the Background Check Central Unit (BCCU).• In May 2014, the Department terminated payments to providers that did not have a current qualifying background check.• By September 2014, the Department will:<ul style="list-style-type: none">○ Terminate contracts of providers who fail to comply with requests to have current background checks completed, and○ Distribute a management bulletin that discusses background check policies.												

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	040 (Cont'd)	<ul style="list-style-type: none"> • In October 2014, the field offices will report to ALTSA on corrective action plans that were implemented in April 2014. • In November 2014, the Department will consult with the U.S. Department of Health and Human Services regarding questioned costs identified in this audit. • By February 2015, the Department's Home and Community Services Division will have completed its work with BCCU on process improvements on the background check process. Policies and procedures will be updated accordingly and communicated with the field offices. <p>The conditions noted in this finding were previously reported in finding 12-41, and 11-34.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-049.</p>

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	041	<p>Finding: The Department of Social and Health Services improperly claimed \$691,869.10 in federal reimbursement for the Medicaid program.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.720 ARRA \$691,869 93.775 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Corrective action complete</p> <p>Corrective Action: This finding involved three administrations within the Department: the Aging and Long Term Support Administration (ALTSA); the Children's Administration (CA); and the Economic Services Administration (ESA). The three administrations concurred with the findings. Each took corrective actions specific to their administration.</p> <p><u>ALTSA:</u></p> <ul style="list-style-type: none"> • In October 2013, ALTSA updated account coding in ProviderOne to properly reflect service provided to nonqualified aliens to ensure charges are not paid for with Medicaid funds. • In January 2014, ALTSA: <ul style="list-style-type: none"> ○ Returned questionable costs to the federal grantor. ○ Implemented a monthly report review process that identifies potentially unsupported payments, which are payments made after the client's date of death. Reports are reviewed monthly by staff who take action on identified invalid payments. • By March 2014 all questioned costs were resolved and journal vouchered to move the costs to state funding. <p><u>CA:</u></p> <ul style="list-style-type: none"> • In August 2013, CA established and implemented an account code for nonqualified aliens who receive services to ensure charges are not paid for with Medicaid funds. • In February 2014, CA corrected the exceptions identified in the audit and returned federal reimbursement received for the two clients who received services.

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2014

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2013	041 (Cont'd)	<p><u>ESA:</u></p> <ul style="list-style-type: none">• In February 2014, ESA reviewed the four exceptions identified during the audit and corrected the inappropriate payments. Also, staff was informed by memo about the requirements for processing cases that involve non-qualified aliens to ensure that Medicaid services provided are restricted to emergency services.• ESA's share of the questioned costs from this finding was \$203.79. If DHHS contacts ESA about these costs, ESA will respond accordingly. <p>Completion Date: March 2014</p>

State of Washington
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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2014.)

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	042	<p>Finding: The Department of Social and Health Services, Aging and Long Term Services Administration, did not ensure that unallowable payroll costs charged to the Money Follows the Person Rebalancing Demonstration were refunded to the federal government in a timely manner.</p> <p>Questioned Costs: <u>CFDA#</u> 93.791 <u>Amount</u> \$106,274</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department concurs with this finding. An Information Technology position was incorrectly coded to the Money Follows the Person Rebalancing Demonstration grant. The Department discovered and corrected the error in the system in March 2013.</p> <p>In January 2014, the Department developed new policies and procedures to ensure only staff allowed to work on the grant are correctly charged to the grant. The incorrect payroll expenditures were returned to the grantor.</p> <p>Completion Date: January 2014</p>	

**State of Washington
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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	043	<p>Finding: The Military Department does not have adequate internal controls to ensure all subrecipients of Homeland Security Grant Program funds receive audits when required and take timely and appropriate corrective action for any audit findings issued.</p> <p>Questioned Costs: <u>CFDA#</u> 97.067 <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department's Finance Office is maintaining reports, one being a master list of subgrantees based on open sub-grants by calendar year, on a perpetual basis. The master list will be updated monthly, or as audits are released by the auditors indicating if a sub-grantee has received an A-133 single audit or not. The Finance Office is reviewing the SEFA in the sub-grantee audits, and determining if there are findings specific to the Military Department's federal grants. The reports are posted to a network share drive and a SharePoint site for viewing by Emergency Management Division (EMD) program staff. A copy of any specific findings and audit numbers are provided to the EMD. The appropriate EMD program staff will work with the sub-grantee to attain a corrective action plan for the findings, and provide the required management decision letter.</p> <p>EMD Program Staff have developed an internal tracking mechanism that is validated with the Finance Office records. A133 requirements have been incorporated into monitoring protocols assuring oversight.</p> <p>Finance and EMD staff has been notified about the reporting process including recent changes.</p> <p>The conditions noted in this finding were previously reported in finding 12-62.</p> <p>Completion Date: June 2014</p>	

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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	044	<p>Finding: The Military Department did not have internal controls over earmarking requirements to ensure administrative and management costs were accurately monitored for the Homeland Security grant.</p> <p>Questioned Costs: <u>CFDA#</u> 97.067 <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department's Homeland Security Section (HLSS) has established a monthly process to update and review financial information. Financial reports are continually updated and validated with state accounting system records. Files are retained in a PDF format so a permanent record of each monthly review is maintained. A monthly meeting is conducted, which includes the HLSS Supervisor, grant managers, coordinators, and assistants to communicate financial information and resolve discrepancies. Discrepancies are noted on financial tracking tools. When a grant is closed, the financial data is reviewed against invoicing and state accounting system records.</p> <p>The process was documented in an internal operating procedure. This process is for all grants managed by the Homeland Security Section. These procedures have been communicated to employees.</p> <p>Completion Date: June 2014</p>	

**State of Washington
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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2013	045	<p>Finding: The Military Department did not have adequate internal controls over subrecipient monitoring and did not adequately monitor subrecipients of the Homeland Security Grant Program.</p> <p>Questioned Costs: <u>CFDA#</u> 97.067 <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department's Homeland Security Section (HLSS) has developed a new monitoring report and process for organizing and tracking subgrantee monitoring visits to ensure all subgrantees are adequately monitored. All subgrantees are scheduled for biennial monitoring site-visits, unless issues have surfaced, such that annual visits are recommended. The Monitoring Program Manager is responsible for organizing and tracking site visits by quarter throughout the year. Nineteen site visits are underway for the 1st quarter of 2014.</p> <p>A spreadsheet is submitted with invoices by the subgrantees showing the details of the expenditures which are reviewed by the Department to ensure only allowable costs are being reimbursed. Monitoring teams request comprehensive backup documentation for sample invoices prior to the monitoring visit. Monitoring teams review the entire submitted backup prior to the scheduled visit and note any issues for further discussion during the scheduled visit. Equipment purchased with grant funding is noted and examined during the site visit.</p> <p>Following the site visit, the monitoring team finalizes a Monitoring Report; the subgrantee documents their response; and issues requiring corrective action are scheduled for follow-up review. The completed report is signed by the monitoring team, Monitoring Program Manager, and Section Supervisor. The fully-executed Monitoring Report is posted on SharePoint, and emailed to the subgrantee.</p> <p>The above process has been documented in an HLSS Standard Operating Procedure and communicated to all program staff through written guidance and on-going training.</p> <p>The conditions noted in this finding were previously reported in finding 12-63.</p> <p>Completion Date: June 2014</p>	

**State of Washington
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Recreation Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	06	<p>Finding: The Recreation and Conservation Office did not file reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program.</p> <p>Questioned Costs: <u>CFDA #</u> 11.438</p> <p>Status: Refer to finding 2014-003</p> <p>Corrective Action: Since March 2013 the Recreation and Conservation Office (RCO) completes the Accountability Act reports on a monthly basis. These reports encompass all applicable federal programs. The lead financial analyst takes the lead on reporting the awards each month. If technical difficulties in reporting the costs should arise, RCO documents the questions, communications and resolution of the issues. The Chief Financial Officer reviews the results of the reporting monthly to confirm the reports are complete and accurate.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2014 Washington Single Audit. Refer to finding 2014-003.</p>	<p><u>Amount</u> \$0</p>

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	49	<p>Finding: The Department of Health charged the National Bioterrorism Hospital Preparedness Program for activities that occurred after the grant period had ended.</p> <p>Questioned Costs: <u>CFDA #</u> <u>Amount</u> 98.889 \$38,574.67</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department concurs with the State Auditor's Office (SAO) finding, but wishes to indicate that the corrective action to the 2010 finding was implemented as soon as possible after the SAO had identified this issue in March of 2011.</p> <p>The Department has reviewed its internal controls that are intended to prevent payments from being charged to grants that have exceeded their period of availability. These controls include the closing of account coding on or before the 90th calendar day unless a written extension has been provided by the federal grantor.</p> <p>These controls were implemented in March of 2011 subsequent to the completion of the SAO field work for the state fiscal year 2010 Single Audit. The transactions that the auditor identified as not compliant while conducting the 2011 Single Audit occurred in the interim between the beginning of the fiscal year 2011 and when the Department was made aware of the control issue.</p> <p>The Department will work with the federal grantor to resolve questioned costs identified by the SAO.</p> <p>The conditions noted in this finding were previously reported in finding 10-56.</p> <p>Completion Date: March 2011</p>	